

THE TAXPAYER

Canadian Taxpayers Federation

Summer 1991

Despite what Federal Finance Minister Don Mazankowski says

CANADIANS ARE OVERTAXED

The Canadian Taxpayers Federation takes strong exception to Mazankowski's statement.

In a statement beyond belief, Finance Minister Don Mazankowski denied that Canadians are overtaxed. He was responding to an earlier comment by Revenue Minister Otto Jelinek that Canadians had reached their taxation limit.

In the same statement, Mazankowski also ruled out any tax cuts until the federal government has brought its \$30.5 billion deficit under control.

Mazankowski's statements are alarming, as he would appear to think that the federal government still has more room to increase taxes, rather than reduce spending in order to reduce its deficit. At a very minimum, his statements essentially guarantee no decrease in taxation over the next few years.

Less than one week after Jelinek and Mazankowski made their statements, the Ottawa-based think-tank, Global Economics Ltd., released its assessment of the conservative government's changes to personal income tax, corporate tax, and

commodity taxes (that is, the GST) since 1984.

The study concluded that the tax reforms and tax increases have hit middle-income families the hardest. The average Canadian family, with an income of \$47,237, will pay an additional \$1,530 in federal taxes in 1991 due to the tax changes implemented by the Conservative government since 1984.

The study further concluded that taxes on individual Canadians are the highest among the seven largest industrialized countries -- the so-called G-7 group (United States, Japan, Germany, Great Britain, France, Italy and Canada) that recently met in London, England. Not only is this tax burden the heaviest in Canada, but

also taxes on individuals are increasing the most rapidly in Canada.

"Individual Canadians are being taxed into poverty," says Chris Gerrard, Chief Economist for the Canadian Taxpayers Federation. "And for no clear benefit," he added.

**"Individual
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Chris
Gerrard**

"Many see federal spending as being out of control. The study confirms what most Canadians already know -- that the federal government has been increasing its taxes on individual Canadians in order to pay for its deficit-spending and accumulated debt over the last 20 years.

"With no real desire by the federal government to significantly restrain spending, Canadian taxpayers should expect yet more tax increases in the next few years."

(See Mazankowski Changes His Tune, Pg. 2)

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MAZANKOWSKI CHANGES HIS TUNE -- CAN WE TRUST HIM? - by Chris Gerrard

On Friday, July 12, Finance Minister Don Mazankowski announced federal legislation to limit the growth in federal spending to 3 percent a year for the next five years.

With these spending limits in place, he is forecasting a decline in the federal deficit from \$30.5 billion in 1990-91 to \$6.5 billion in 1995-96.

"Some difficult choices -- and a hard look at priorities -- will be required to operate within the program spending limits," Mr. Mazankowski said.

Mr. Mazankowski is asking us to believe something before we see it -- in other words, to trust him. But can we really trust him? Here are four reasons why we probably shouldn't, and two why we might.

First, there is the government's own track record. From 1984 to 1990, the Mulroney government presided over an economic boom, yet only reduced the deficit from \$38.3 billion in 1984-85 to \$30.5 billion in 1990-91. Now that the economy is turning around once again, would you trust a self-proclaimed reformed gambler not to squander another paycheck?

Second, how is the government going to make the difficult choices to cut or to rationalize various programs in order to meet the spending targets? Collectively, Canadians may want the deficit reduced, but individually, various lobby groups are still pressuring the government for even more spending, let alone accepting cuts to their own programs.

Third, where is the effective constraint -- imposed from outside on the party in power -- to hold the line on spending? Even when passed,

the proposed legislation will only be a single Act of Parliament. This government, or a new government, can still amend or appeal the Act in order to escape from the spending limits.

Fourth, the proposed *Spending Control Act* itself contains significant loopholes. For example, the government may increase spending by more than 3 percent in one year -- say, an election year -- as long as it reduces spending in subsequent years. It may also exempt other legislation from the *Spending Control Act*.

Now, here are two reasons why we might pay attention to Mr. Mazankowski.

First, for the time-being, we have no choice. The Mulroney government is, and will likely remain, the duly elected government in Ottawa, exercising the reins of power for another two to three years. Like it or not, they are the only federal government we have. They are the only ones with the authority to pass and to implement this legislation. Sceptical though we may be, we may be better off to accept a deathbed repentance than no repentance at all.

Second, the Canadian electorate has finally woken up to the games that politicians

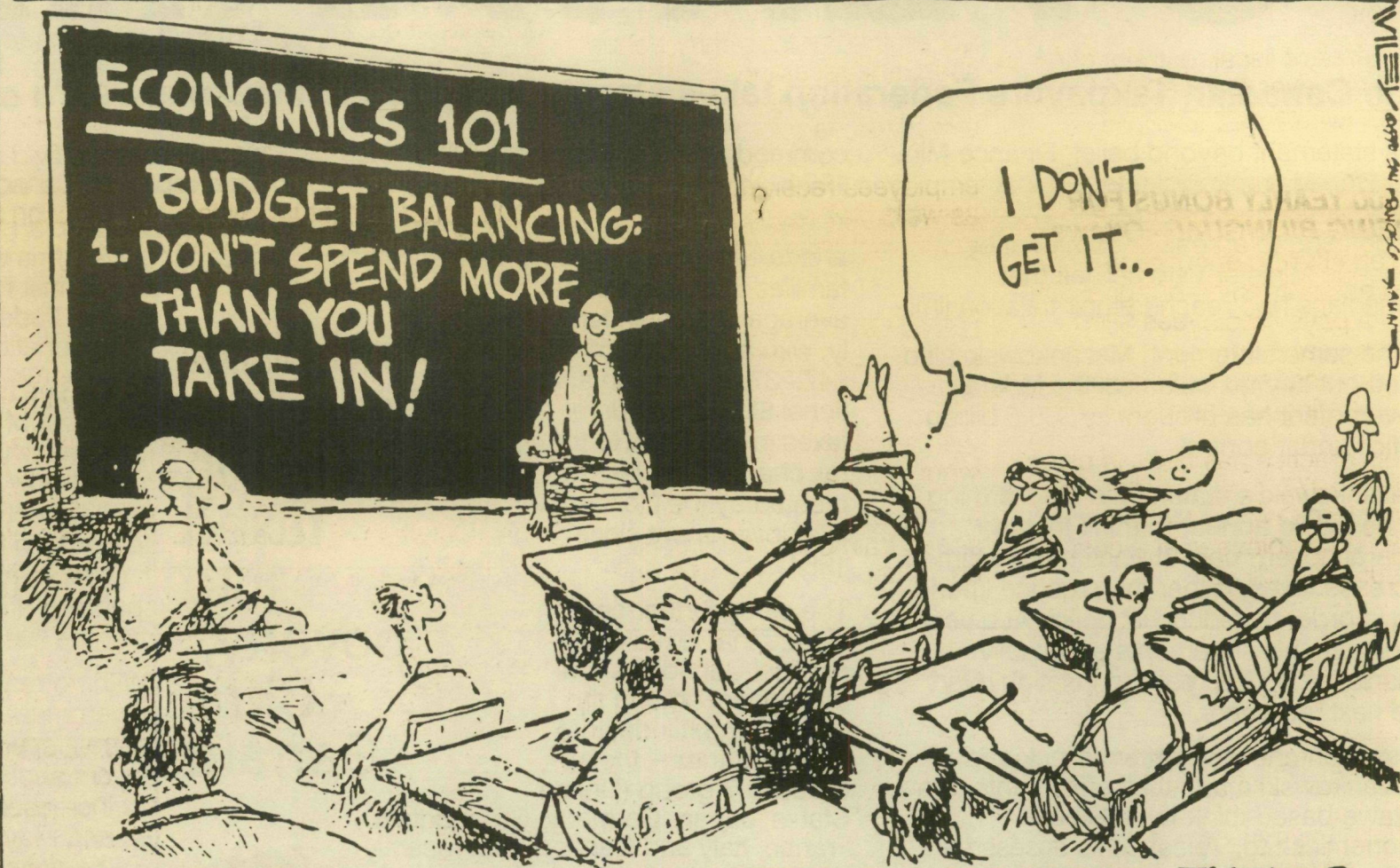
have been playing with our country. Not only in the area of the environment, but also in the area of government spending, Canadians are questioning what kind of future we are leaving for our children.

More and more Canadians are advocating legislated limits on government spending, as the only way to protect taxpayers from politicians' bribing us with our own money. The British Columbia government passed a *Taxpayers protection Act* this spring. Now that Mr. Mazankowski has proposed a federal variant, he might actually mean it because his political survival depends upon it. -- his last gasp, if you will.

Canadian Taxpayers Federation to make presentation

Note: Mr. Mazankowski has released the *Spending Control Act* in draft form in order to invite public comment, and has asked the House of Commons Standing Committee to hold hearings on the draft bill and to report back in the early fall. The Canadian Taxpayers Federation has requested the opportunity to make a presentation to the Committee.

Today's Picture Puzzle: FIND THE 1 Member OF PARLIAMENT



BONUS BRAIN-TEASER: WHY DO YOU KEEP RE-ELECTING THEM?

Bad Joke or Twinge of Conscience?

It was either a bad joke or perhaps a twinge of conscience.

Former Finance Minister Michael Wilson, the man who brought Canadians more taxes has done it again.

He recently set up a new position in his department of Industry, Trade and Science. The position is the Assistant Deputy Minister of Prosperity. Whoever fills this position will be making some-

where between \$113,000 and \$138,000 per year.

It's all part of a new initiative imposed by the government on the Canadian taxpayers. It's called the "Prosperity Initiative." In a June 24th speech Wilson called himself the Parade Marshall of this new initiative. Apparently his job involves, "Organizing the marchers to ensure they are moving in the same direction when the music starts" (The Ottawa Citizen, July 23, 1991).

We have a suggestion for this new Assistant Deputy Minister of Prosperity. If you want to increase the wealth of Canadians: Restrain government spending and balance the national budget.

Why waste Canada's prosperity through billions of dollars of interest payments?

It's pretty obvious at first glance that at least one person should become prosperous as a result of this new prosperity scheme. Unfortunately, the rest of us will have to pay for his new job.

TAX ABUSE ALERT

STREETS OF GOLD - Montreal

Taking a page out of the Wizard of Oz, politicians struck again. The city of Montreal is building a street of gold - well it's not exactly gold, but it came a close second. The city is ripping up three city blocks and replacing it with granite blocks.

The total cost for this project is estimated to be \$6.4 million. Future plans call for an additional \$11 million expansion.

The street of granite in Montreal has left taxpayers shaking their heads at one more example of the government's lack of fiscal restraint.

Source - CBC News World, July 5, 1991

CBC GETS NEW OFFICE - Toronto

Despite cuts in spending, CBC is forging ahead with construction of a new head office in down-town Toronto.

The new office building, a mere 1.7 million square feet, is budgeted to cost taxpayers \$550 million to construct, plus another \$250 million for furniture, radio and television equipment.

In times of fiscal restraint can the taxpayer really afford this?

Source - Western Report, June 10, 1991

\$800 YEARLY BONUS FOR BEING BILINGUAL - Ottawa

In an effort to encourage bureaucrats to be bilingual, Ottawa pays employees \$800 each year if they can pass a basic language test and occupy bilingual posts.

This practice has been in place since 1977. Last year the annual bonus was paid to over 58,000 employees at a cost of over \$46 million.

The federal government has been running budget deficits since 1970, subsequently the program has been paid with borrowed money. When you take into consideration interest payments that are compounding each year this one program has cost the taxpayers millions of dollars since its inception.

In 1990, federal employees also received approximately 1.6 million hours of language training in an effort to receive the bonus and subsequent job opportunities that come with being bilingual. Most of this training came at taxpayers' expense.

Taxpayers have more good news. Daryl Bean, head of the Public Service Alliance which first negotiated the deal for the civil service thinks this annual bonus should be increased to \$1,600. D'Iberville Fortier the former languages commissioner also feels this bonus should be reviewed.

In addition to this - a 1990 Federal court ruling declared that RCMP employees who are not eligible for the yearly bonus should be receiving it. This ruling could open the door to armed forces personnel and some Crown Corporation employees receiving the bonus as well.

Source - Globe and Mail, July 8, 1991

HANG ON TO YOUR WALLET - OTTAWA

What will cost the taxpayer \$6 billion and probably result in the formation of a new government company?

If you guessed the new high speed train between Ontario and Quebec...you're well on

Taxpayer Pressure Makes a Difference



Lethbridge city council tried unsuccessfully to charge user fees for using the fire department. The costs were to have ranged from \$150 to \$250 per hour. The user fee was simply another form of taxation by a different name. Taxpayers have always thought their property tax covered basic amenities such as fire and police protection. Obviously, politicians want to spend their money elsewhere. However, public pressure forced city council to withdraw its proposal. Taxpayer pressure can make a difference.

your way to an ulcer. Bombardier, the promoter of the new high speed train, estimated it would cost the taxpayers approximately \$2.1 billion to construct the route and the train.

However, Peat Marwick an independent consulting firm said that the 85% government share will realistically be closer to \$6 billion. Frank Collins, a spokesman for Peat Marwick said their group could be more frank about the actual costs since they didn't need to worry about the politics involved.

Peat Marwick also suggests that the train may not pay its way and the government would have to pay an annual subsidy. There is some debate on how much this subsidy may actually cost - but there is no question who will be paying it.

Source - Globe and Mail, July 3, 1991

NEW AIR TAX - Quebec

Effective January 1, 1992, the government of Quebec will be imposing an 8 percent tax on all flights and rail trips originating in Quebec.

In addition, the air tax will be imposed on the federal air transportation tax and the GST. Howard Goldberg, the vice-president and secretary of the Air Transport Association of Canada said this amounts to a tax on a tax.

Goldberg also said that when you take into consideration hidden fuel taxes, landing fees and the new air tax, approximately 45 percent of the ticket price in Quebec is taxes.

Goldberg also added that every province except Alberta has considered following Quebec's example. He said that Saskatchewan and Prince Edward Island are the closest to implementing this new tax.

Source - Globe and Mail, July 27, 1991.

Avram Accepts Advisory Board Position -- Steps Down as Head of Taxpayers

Kevin Avram, the man who was the catalyst behind getting the Taxpayers organizations started, is changing hats.

Avram has accepted a position with the Advisory board of the Canadian Taxpayers Federation, and in so doing, has stepped down from his positions as the Co-ordinator of the Association of Saskatchewan Taxpayers and the Executive Director of the Canadian Taxpayers Federation.

"It usually takes one person to get something started," Avram said, regarding the change, "But if that one person really succeeds, there comes a point in time when

the organization, and the ideas behind it, take on a life of their own."

"Being on the Advisory Board, I'll still be involved," Avram said, "And although I won't be directly responsible like I have been in the past, I'll still write the occasional newspaper column, or article for 'The Taxpayer' newsletter."

"Our growth in Alberta, BC and Manitoba has been encouraging," Avram said regarding the changes, "And although I'll miss being involved in the research and communication aspects of what's taking place, I believe I



can best contribute to the organization by ensuring that the overall structure is sound, and that in each province, we do a good job of laying the foundation."

FEDERAL DEFICIT TRIPLES - Ottawa

The government deficit in April and May this year was triple the deficit of the same two months last year. April and May represent the first two months of the government's fiscal year which ends March 31.

In April and May 1990, the government spent \$1.85 billion more than it received in income. This year it spent \$5.34 billion more than it received in income in the same two months.

The jump in the deficit is attributed to the drop in corporate taxes due to the recession, and on increased spending for welfare and unemployment.

For the 1991/92 fiscal year ending March 31st 1992, the government had projected a deficit of only \$30.5 billion.

Source - Globe and Mail, July 30, 1991

BC legislation could help taxpayers by Chris Gerrard

Earlier this year, the government of British Columbia passed a piece of legislation called the *British Columbia Taxpayer Protection Act*. I received a copy of it recently, and after examining it concluded that it may be the most significant piece of legislation passed by a provincial legislature or the federal Parliament in a long time.

In fact, it might even turn out to be one of those pivotal pieces of legislation that has an impact on political discussion far beyond the boundaries of British Columbia, and far beyond the six pages on which it is written.

This B.C. legislation is stronger than its federal counterpart, the *Spending Control Act* recently introduced by federal Finance Minister Don Mazankowski, for a number of reasons.

First, B.C.'s legislation limits the annual rate of growth in total provincial spending to the rate of growth of the British Columbia economy as a whole. The government cannot plan to increase its spending by more than this amount in one year -- even an election year -- while reducing its spending in subsequent years.

Second, the legislation freezes provincial tax rates for the next three years.

Third, the legislation commits the provincial government to balancing its budget over every

five-year period, if necessary, and generally speaking, by reducing spending rather than by increasing taxes.

Notwithstanding these strengths, B.C.'s *Taxpayers Protection Act* still suffers some of the drawbacks of the federal *Spending Control Act*.

While B.C.'s legislation attempts to limit government spending to its present share of the provincial economy, namely 18.5 percent, it doesn't question this existing level of spending, nor explain how the government will cut or rationalize its various programs in order to keep spending within the new limits.

Also, because the legislation remains an Act of the provincial legislature, the present government, or a new government, could still amend or appeal the Act in order to escape its limitations.

Despite this, the legislation is a start; and a good one at that. For the past thirty years, Canadian governments have been justifying increases in spending by focusing almost exclusively on the benefits, while flagrantly disregarding the costs. Now, for what seems like the first time in a long time, a provincial government is giving more than lip service to the costs and long term consequences of unrestrained spending.

We all know that Canadian families, operating within a

fixed budget, are continually forced to make choices. If they choose to spend more in one area, they must spend less in another, or borrow against next month's or next year's pay cheque. Now, a provincial government (to its credit) is forcing itself to make these same kinds of choices.

In his recent budget address, the B.C. Minister of Finance said, "The inevitable consequence of fiscal irresponsibility is borrowing against the fu-

ture.... But we will not leave today's bills for tomorrow's taxpayers... We will not mortgage the future...."

Truly, winds of change are blowing in Canada. Various forms of balanced budget laws are now being discussed in many jurisdictions. Citizen initiated referendums are becoming increasingly popular. Politicians who refuse to listen risk falling out of favour with voters. Maybe we are on the verge of major reform!

Financial Report - Year ended April 30, 1990

Revenue

Donations/Subscriptions	\$ 707,291
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Expenses

Advertising	\$ 12,689
Bank charges and interest	\$ 3,381
Data collection and field operations	\$ 367,338
Depreciation	\$ 2,641
Field management, salaries and wages	\$ 219,049
Insurance	\$ 310
Miscellaneous	\$ 2,583
Office supplies	\$ 12,589
Postage	\$ 13,536
Printing and distribution	\$ 19,537
Professional and legal fees	\$ 4,429
Rent	\$ 4,282
Repairs, maintenance, rentals and leases	\$ 7,359
Shipping, freight and courier	\$ 1,739
Travel and conferences	\$ 1,312
Utilities(including telephones)	\$ 15,571

Total Expenses \$688,345

This is the most recent financial report of the Association of Saskatchewan Taxpayers. Because much of the work of the Canadian Taxpayers Federation and the Association of Saskatchewan Taxpayers overlapped this past year, we felt it prudent to provide all supporters of the Canadian Taxpayers Federation with a copy of it. The audit was done by Price Waterhouse, who are also the auditors of the Canadian Taxpayers Federation. As our Saskatchewan supporters know, the financial activities of the Association of Saskatchewan Taxpayers have since been rolled into the Canadian Taxpayers Federation for the sake of keeping administration costs low by avoiding duplication. The Canadian Taxpayers Federation year end is June 30th, and we expect that Price Waterhouse will have completed with that audit before our next newsletter is published.

Alberta MLAs' Secret Conspiracy

It had been said that while other provinces provided severance packages to their MLAs when they retired or were defeated, such was not the case for Alberta MLAs.

However, Gail Radford-Ross, a Research Associate for the Association of Alberta Taxpayers discovered a "re-establishment allowance" had been set up for Alberta MLAs. In fact, it was nothing more than severance packages that had been set up in 1988.

Although no one knew about it, 20 MLAs had already received the golden handshake. This included former Deputy Premier Dave Russell who received \$44,322 when he retired. Dr. Ian Reid collected \$36,996 after he was defeated, and the twentieth person to receive the package was none other than Brian Downey who resigned his Stettler seat so Don Getty could run safely.

Downey received a severance of package of \$22,161.

Supposing the next Alberta provincial election is in 1994, and presuming MLAs only receive annual pay hikes of 3%, Alberta MLAs would be eligible for severance packages of between \$31,000 and \$62,000. Premier Don Getty and Alberta New Democrat leader Ray Martin would be eligible for between \$60,000 and \$70,000. Liberal Leader Lawrence Decore could potentially receive between \$30,000 to \$35,000.

If the yearly pay hikes are more than 3% a year, dozens of politicians would be eligible for severance packages of over \$70,000 should they be defeated or retire.

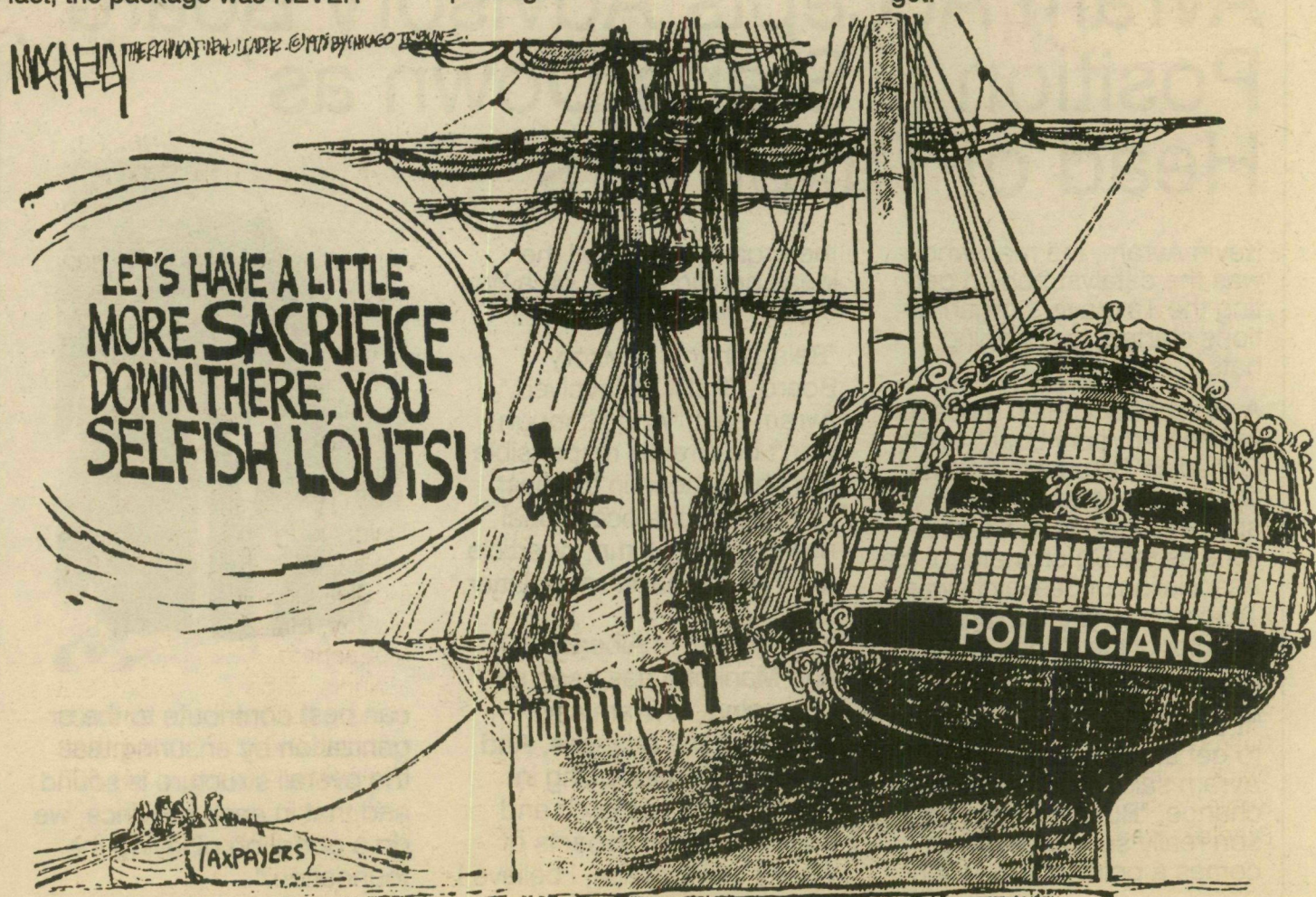
The MLAs hid their severance packages in a cloud of secrecy. An all Member Service Committee of the legislature, made up of all parties, arranged for these packages behind closed doors. In fact, the package was NEVER

DEBATED IN THE LEGISLATURE, so the public would be made aware of it. It was also called a "re-establishment allowance" instead of the traditional "severance package" used by other provinces.

As a result of the MLA conspiracy of secrecy, many senior media people, government watchers and politically active people were totally unaware of the severance packages.

Bob Matheson, the president of the Association of Alberta Taxpayers said, "It would seem to me that the only time politicians are able to agree on anything is when they're silently picking the pockets of Alberta taxpayers."

Matheson added, "They're unnecessary, unwarranted and unfair. People are tired of watching politicians grabbing at all the benefits and advantages they can get."



Taxpayers can make a difference

by Craig Dockstader

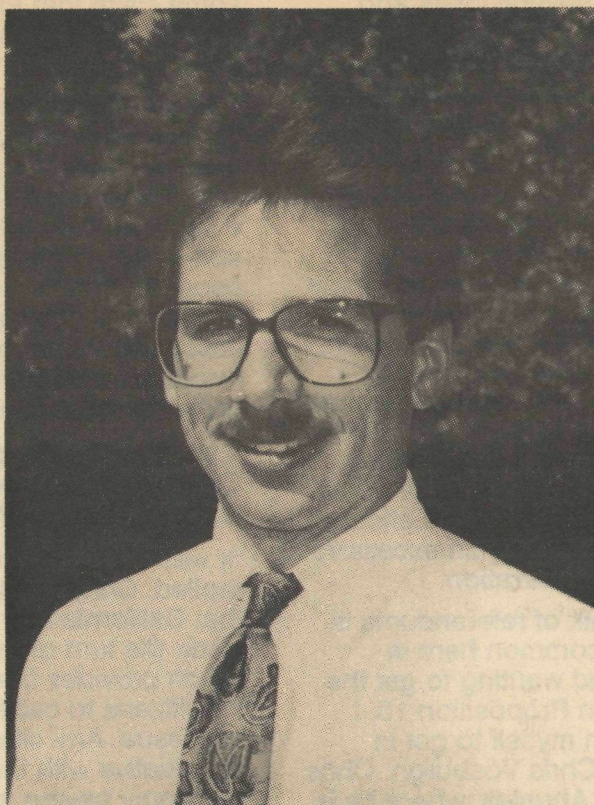
As a staff member with the Canadian Taxpayers Federation, I often have the opportunity to interact with people who are inquiring about the nature and purpose of the organization. Without fail, I regularly hear a statement to this effect: "Do you really think anybody can do anything?"

When I first encountered this attitude, it seemed to question the effectiveness of the Taxpayers Federation in achieving its goals and objectives. But the more I was exposed to the statement, the more I realized it had nothing to do with the Federation's ability to carry out its purposes. In reality, it was a commentary on the mood of Canadians.

The statement, "You guys can't do anything", or, "Do you really think anybody can do anything" is actually a reflection of the commonly held sentiment that politicians are going to do what they want regardless. There appears to be a cynicism abounding that says, "It doesn't matter what you or I or anyone else does." It's the old line "You can't fight City Hall", but on a provincial and national level instead of a local one.

This same attitude is often evidenced by the apparent belief that another election will somehow solve the country's problems. To my way of thinking, this election euphoria is the result of taxpayers feeling like the only time they have any direct say in things is on election day, more so than being a commentary on any one political party's ability to do a better job.

More often than not, this mood is accompanied with a sense of resignation. It seems that some Canadians not only feel cynical



about their apparent lack of influence, but have lost hope that it could actually be any other way. It is hard to find a person confident that it is worth their time and effort to stay informed and involved in the democratic process.

I must admit, recent events in the political arena would appear to give credence to this mindset. Nationally, many Canadian citizens felt that the Meech Lake Accord and the GST were essentially forced upon them; provincially, issues abound that are viewed by people as political schemes being imposed on them regardless of public opinion.

But, nowhere is this mood of cynicism and resignation more obvious and blatant than when you talk to someone about taxes. I have yet to hear a single Canadian who is happy with the current levels of taxation and feels that the extent of tax money currently being handed over to government is worth while. On the contrary, taxation levels appear to be number one on Canadians' "Most Unwanted" list. Everyone wants lower taxes, but few people seem to believe it can or will actually happen.

The truth is, they are right. Unless more Canadians decide to become informed and get involved in the process that determines such things as our taxation levels, it is likely nothing will change. If the attitude that fosters the statement, "You guys can't do anything" continues to pervade our land, the resulting immobilization of taxpayers will seal our fate to our politicians' sense of what is good for them.

"Taxation levels appear to be number one on the Canadians' 'Most Unwanted' list. Everyone wants lower taxes, but few people seem to believe it can or will actually happen."

Get involved - write your MLA or MP

One of the simplest ways for you to become involved is by writing a letter to your MLA or MP. Letters have impact. Letters require action. Letters reflect public opinion and MLAs and MPs wanting to get re-elected will take note.

Here are a number of points to consider when writing a letter to your MLA or MP.

1. Keep it short. Get to the point immediately. Give your reasons for your concern or stand. Try to keep the letter to one page in length.

2. Be polite and courteous. This is important. You can be critical of the issue, but don't be abusive towards your MLA or MP.

3. Make your letter personal. Use personal examples that support your statements and conclusions.

4. Stick to one subject or topic. Don't ramble on. Don't just write a long list of gripes.

5. Write your letter legibly or better yet, type it.

6. Enclose relevant newspaper clippings or other materials to support your arguments.

7. Don't write just for the sake of writing, make sure you have a relevant topic.

8. Make sure you ask your MLA or MP what he or she is going to do about your concern.

9. Make sure you spell their name right, and tell them you expect a reply.

Political Severance Packages in Alberta

The following is a list of payouts that would be received by Alberta MLAs should they choose to quit, or should they be defeated in the next general election.

Calculations are based on the formula set by the Member Service Committee of the Legislative Assembly. The calculation is based on a general election being held mid-way through 1994 and presumes an average annual salary increase of 3% for each MLA.

This golden hand shake is in addition to any other income received such as pensions, perks, etc.

Adair, J. Allen	.....\$62,832
Ady, Jack	.....\$41,888
Anderson, Dennis	..\$62,832
Barrett, Pam	.....\$41,888
Betkowski, Nancy	..\$41,888
Black, Patricia	.....\$31,416
Bogle, Bob	.....\$62,832
Bradley, Fred	.....\$62,832

Brassard, Roy	.....\$41,888
Bruseker, Frank	...\$31,416
Calawasen, Pearl	..\$31,416
Cardinal, Mike	.....\$31,416
Carter, David	.....\$62,832
Cherry, Doug	.....\$41,888
Chivers, Barry	.....\$31,416
Chumir, Sheldon	..\$41,888
Clegg, Greg	.....\$41,888
Day, Stockwell	....\$41,888
Decore, Lawrence	..\$31,416
Dinning, Jim	.....\$41,888
Doyle, Jerry	.....\$31,416
Drobot, John	.....\$62,832
Elliot, Charles	.....\$62,832
Elzinga, Peter	.....\$41,888
Evans, Brian	.....\$31,416
Ewasiuk, Ed	.....\$41,888
Fischer, Bob	.....\$62,832
Fjorbotten, Leroy	..\$62,832
Fowler, Dick	.....\$31,416
Fox, Derek	.....\$41,888
Gagnon, Yolande	..\$31,416
Gesell, Kurt	.....\$31,416
Getty, Don	.....\$62,832

Gileault, Gerry	....\$41,888
Gogo, John	.....\$62,832
Hawkesworth, Bob	..\$31,416
Hewes, Betty	.....\$31,416
Horsman, Jim	.....\$62,832
Hyland, Alan	.....\$62,832
Isley, Ernie	.....\$62,832
Johnston, Dick	....\$62,832
Jonson, Halvar	....\$62,832
Klein, Ralph	.....\$31,416
Kowalski, Ken	.....\$62,832
Laing, Bonnie	.....\$31,416
Laing, Marie	.....\$41,888
Lund, Ty	.....\$31,416
Main, Doug	.....\$31,416
Martin, Ray	.....\$62,832
McClellan, Shirley	..\$31,416
McCoy, Elaine	....\$41,888
McEachern, Alex	..\$41,888
McInnis, John	.....\$31,416
Mirosh, Dianne	....\$41,888
Mitchell, Grant	....\$41,888
Mjolsness, Christie	..\$41,888
Moore, Ron	.....\$62,832
Musgrove, Tom	...\$62,832

Nelson, Stan	.....\$62,832
Oldring, John	.....\$41,888
Orman, Rick	.....\$41,888
Osterman, Connie	..\$62,832
Pashak, Barry	.....\$41,888
Pazkowski, Walter	..\$31,416
Payne, Bill	.....\$62,832
Roberts, William	....\$41,888
Rostad, Ken	.....\$41,888
Schumacher, Stan	..\$41,888
Severtson, Gary	...\$31,416
Shrake, Gordon	....\$62,832
Sigurdson, Tom	...\$41,888
Sparrow, Don	.....\$62,832
Speaker, Ray	.....\$62,832
Stewart, Fred	.....\$41,888
Tannas, Don	.....\$31,416
Taylor, Nick	.....\$41,888
Thurber, Tom	.....\$31,416
Trynchy, Peter	....\$62,832
Weiss, Norman	....\$62,832
West, Steve	.....\$41,888
Wickman, Percy	...\$31,416
Woloshyn, Stan	...\$31,416
Zarusky, Steve	....\$41,888

Let's Talk Taxes



Citizen Initiated Referendums by Kevin Avram

Citizen initiated referendums, although non-existent in Canadian provinces, are a regular occurrence in dozens of U.S. states. Alaska, Arizona, California, Colorado, Idaho and over two dozen others have legislation that provides for legally binding citizen initiated votes.

Undoubtedly, the most famous citizens' initiative has been

Proposition 13. Proposition 13 or "Prop 13" as it came to be known, took place several years ago when Howard Jarvis a no-nonsense, tuff-talking Californian spear-headed a movement which forced a vote on an initiative to change the way property tax was assessed.

Over the years I've heard many conflicting stories regarding the consequences of Prop 13. Some claim that governments were forced to unduly cut back, and others claim that politicians looked for ways around the changes. Despite those mixed reviews, I always figured it was healthy when frustrated taxpayers could use a legal, orderly, and effective mechanism to restrain excessive spending and taxation.

Now that talk of referendums is becoming common here in Canada, and wanting to get the real story on Proposition 13, I took it upon myself to get in touch with Chris Vosburgh. Chris lives in Los Angeles, where he is the Executive Director of the Howard Jarvis Taxpayers Association (Jarvis died a few years back). After explaining who I was, I said, "Chris, I'm calling about

Proposition 13 and about citizen initiated referendums. I've heard some claim that Proposition 13 caused more problems than it fixed."

"Not so," was his answer, "Unless you're someone who has a vested interest in excessive taxation. Proposition 13 wasn't really a tax revolt," he told me. "It was sparked by high taxes, but those escalating taxes were directly attributable to the way property assessment was done. Prop 13 forced a restructuring of the way property tax was assessed."

"I suspect a lot of people in Canada view Proposition 13 as a tax revolt," I responded.

"It was a citizen initiative," he replied. Chris went on to explain that California has had legislation since the turn of the century which provides the opportunity for citizens to call for a vote on any issue. Any citizen can register an initiative with the government by simply paying a \$200 registration fee. Then, commencing from the day of registration, the registrant has a hundred and fifty days to collect the necessary signatures. In California's case, the

registrant must collect enough signatures on a petition that add up to 5% of the number of people who voted in the last governor's election.

"We set a record on Prop 13," Chris said, "As we had all our signatures in about sixty days."

Here in Canada, the public mood is to the place where citizens expect more control over politicians, spending and taxes. Millions of Americans have an effective, workable mechanism, in that they have legislation which provides for citizen initiatives. Here in Canada, the lack of a similar mechanism has brought us to an all time low so far as cynicism and contempt for our leaders goes.

Having spent considerable time thinking it through, it would seem to me that millions of Canadians would have more respect for government, if they had a chance to vote on such things as bilingualism, balanced budget laws, and constitutional wranglings like Meech Lake. And, isn't a renewed respect for government what this country desperately needs?

Expose Wasted Tax Dollars

Do you know where Tax Dollars are being wasted?

The Canadian Taxpayers Federation is a federally incorporated non-profit, non-political organization which promotes the responsible and efficient use of tax dollars, and provides taxpayers with information on how their tax dollars are being spent. If you know of specific situations

where tax dollars are being wasted or abused, write to us - we'll check it out.

Please complete form and send to "The Taxpayer"

Exposing Government Waste Taxpayers Report on Tax Waste and Abuse

Name: _____ Date: _____ Phone: _____
Address: _____ Town: _____ Province: _____ Code: _____
Report: (briefly outline tax waste - we will contact you for further information): _____

Send to:
"The Taxpayer" Waste Watch, c/o Canadian Taxpayers Federation, #200 - 1315 Scarth Street, Regina, Saskatchewan, S4R 2E7

PROVISIONS FOR REFERENDUM ON STATE LEGISLATION

In the United States, many states or jurisdictions provide opportunity for citizens to vote on legislation or petitions. These range from citizen initiated referendums to state legislators providing citizens with the opportunity to vote on particular laws.

The form this provision takes varies from state to state. The table below provides a breakdown by state/jurisdiction of the type of referendum legislation available to the people. If the citizens are able to initiate their own referendums (Citizen initiated) the third column provides the list of how

many people have to sign that particular petition in order for it to be put on a state-wide vote. The footnotes located below the graph provide a more complete description of the type of referendum available to the people in that particular state.

State or Jurisdiction	Basis of referendum(a)	Basis for number of signatures on citizen petition(b)
Alaska	Citizen petition	10% of votes cast in last general election for governor and resident in at least 2/3 of election districts.
Arizona	Citizen petition Submission by legislature	5% of qualified voters
Arkansas	Citizen petition	6% of legal voters based on votes cast in last general election for governor.
California	Citizen petition Constitutional requirement(c)	5% of votes cast in last general election for governor
Colorado	Citizen petition Submission by legislature	5% of votes cast in last general election for secretary of state
Connecticut	Submission by legislature	
Florida	Constitutional requirement(c)	
Georgia	Constitutional requirement (c)	
Idaho	Citizen petition	10% of votes cast in last general election for governor
Illinois	Submission by legislature(c)	
Iowa	Constitutional requirement(c)	
Kansas	Constitutional requirement(c)	
Kentucky	Citizen petition(d) Submission by legislature(d) Constitutional requirement(d)	5% of legal voters based on votes cast in last general election for governor
Maine	Citizen petition Submission by legislature Constitutional requirement(c)	10% of votes cast in last general election for governor
Maryland	Citizen petition	3% of qualified voters based on votes cast in last general election for governor; not more than 1/2 can be residents of Baltimore or any one county.
Massachusetts	Citizen petition	2% of votes cast in last general election for governor
Michigan	Citizen petition Submission by legislature Constitutional requirement(c)	5% of votes cast in last general election for governor
Missouri	Citizen petition Submission by legislature	5% of legal voters in each of 2/3 of congressional districts
Montana	Citizen petition Submission by legislature	5% of total qualified electors and 5% in at least 1/3 of legislative districts
Nebraska	Citizen petition	5% of votes cast in last general election for governor

State or Jurisdiction	Basis of referendum(a)	Basis for number of signatures on citizen petition(b)
Nevada	Citizen petition	10% of votes cast in last general election
New Jersey	Submission by legislature Constitutional requirement (c)	
New Mexico	Citizen petition Constitutional requirement(c)	10% of qualified electors of each of 3/4 of counties; total must be at least 10% of qualified electors in state
New York	Constitutional requirement(c)	
North Carolina	Constitutional requirement(c)	
North Dakota	Citizen petition	2% of state's resident population from last federal decennial census
Ohio	Citizen petition Constitutional requirement (c)	6% of electors
Oklahoma	Citizen petition Submission by legislature Constitutional requirement(c)	5% of votes cast for state office receiving largest number of votes in last general election
Oregon	Citizen petition	4% of votes cast in last election for governor
Pennsylvania	Constitutional requirement(c)	
Rhode Island	Constitutional requirement(c)	
South Dakota	Citizen petition	5% of votes cast in last general election for governor
Utah	Citizen petition	10% of votes cast in last general election for governor and same percentage required from a majority of the counties.
Virginia	Submission by legislature Constitutional requirement(c)	
Washington	Citizen petition Submission by legislature Constitutional requirement(c)	4% of voters registered and voting in last general election for governor
Wisconsin	Submission by legislature Constitutional requirement(c)	
Wyoming	Citizen petition	15% of voters in last general election and resident in at least 2/3 of counties
Dist. of Col.	Citizen petition	5% of registered qualified voters; total must include 5% of registered voters in each of five or more wards in district
Guam	Citizen petition Submission by legislature	20% of persons voting in last general election for governor
No. Mariana Is.	Citizen petition	20% of qualified voters
Puerto Rico	Citizen petition Submission by legislature	20% of persons voting in last general election for governor

Note: This table refers only to those jurisdictions which provide for a process whereby a state law passed by the legislature may be referred to the voters before it goes into effect.

(a) Three forms of referendum exist: (1) Citizen petition - the people may petition for a referendum, usually

with the intention of rejecting an act passed by the legislature (in many states, the right to petition for referendum may not extend to specific types of legislation); (2) Submission by legislature-the legislature may voluntarily submit laws to the voters for their approval; (3) Constitutional requirement-the state constitution

may require that certain questions, such as debt authorization, be submitted to the voters.

(b) A majority of the popular vote is required to enact a referendum measure in every jurisdiction. In Massachusetts, the measure must also receive at least 30 percent of the total ballots cast in the election.

(c) Applies to laws regarding state debt authorization: California, Illinois, Iowa, Kansas, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania, Rhode Island, Virginia, Washington, Wisconsin; state bond issuance: Florida, Maine; taxation: Georgia (exemptions from ad valorem taxes),

Michigan (taxing and spending over prescribed limits); and authorization of banking powers of associations: Iowa, Ohio.

(d) Applies only to referendum on legislation classifying property and providing for taxation on the same. The referendum, required by the state constitution,

may be ordered by citizen petition or submitted by the legislature.

Source: Taxpayers Resource Book, National Taxpayers Union, Washington, D.C.

Dr. Chris Gerrard Appointed Chief Economist of the Canadian Taxpayers Federation

The Canadian Taxpayers Federation is pleased to announce the appointment of Dr. Chris Gerrard as National Research Director and Chief Economist for the Federation, effective July 1, 1991.

As National Research Director, Dr. Gerrard will be directing the research program of the Federation and its Provincial affiliates.

Dr. Gerrard brings impressive qualifications and experience to this position, as a scholar, researcher, and administrator. He holds a B.Sc. degree in economics and mathematics from the University of Saskatchewan, a master's degree in economics from Oxford University, and a Ph.D. in economics from the University of Minnesota.



He was head of the Department of Economics at the University of Saskatchewan from 1985 to 1989, and served as Professor of Economics at the University from 1981 to 1991. Gerrard resigned his tenured position at the University in order to accept his present position with the Taxpayers Federation.

He has published research in macro-economics, agricultural economics, agricultural development, and food aid; has administered numerous research projects; and has consulted extensively for the World Bank and for the Canadian International Development Agency. He has been listed in Who's Who in the World.

Dr. Gerrard grew up in Saskatoon, where he now lives with his wife Mary and their two children.

Canadian frigates sink taxpayers' dollars

The nightmare started in December of 1977. Defense Minister Barnett Danson announced the government's decision to build 6 new frigates between 1985 and 1990. The project is now 20 months behind schedule and the \$6.2 billion program is costing taxpayers money.

Problem #1

In 1983, it was decided that the contract to build the 6 frigates would be divided between a ship builder in Saint John (Saint John Ship Building Inc.) and one in Quebec (Marine Industries Ltd. - MIL of Sorel). Saint John was the prime contractor and would sub contract three of the frigates to Quebec.

Jean-Jacques Blais who was the Supply and Services Minister at the time said it would have been cheaper to have built the 6 frigates in one ship yard.

Apparently, politics demanded the contract be divided and regionalized.

Problem #2

December 1983, the Quebec portion of the bid was divided between two Quebec shipyards - MIL in Sorel and Versatile Vickers Inc. in Montreal. In 1987, these two companies along with Davie Shipyard in Lauzon joined together to form Group MIL Inc., a company owned 65% by the Quebec government.

The frigate work was divided equally between the two ship yards in Quebec. Half finished hulls would be hauled down the St. Lawrence to the other shipyard to be outfitted. This one move would cost the taxpayer millions of dollars.

A former MIL executive stated that they are essentially building the same product in two different locations. There were two sets of tools, two sets of production lines, the need to train two workforces, etc. Don't forget about the work taking place in Saint John.

Problem #3

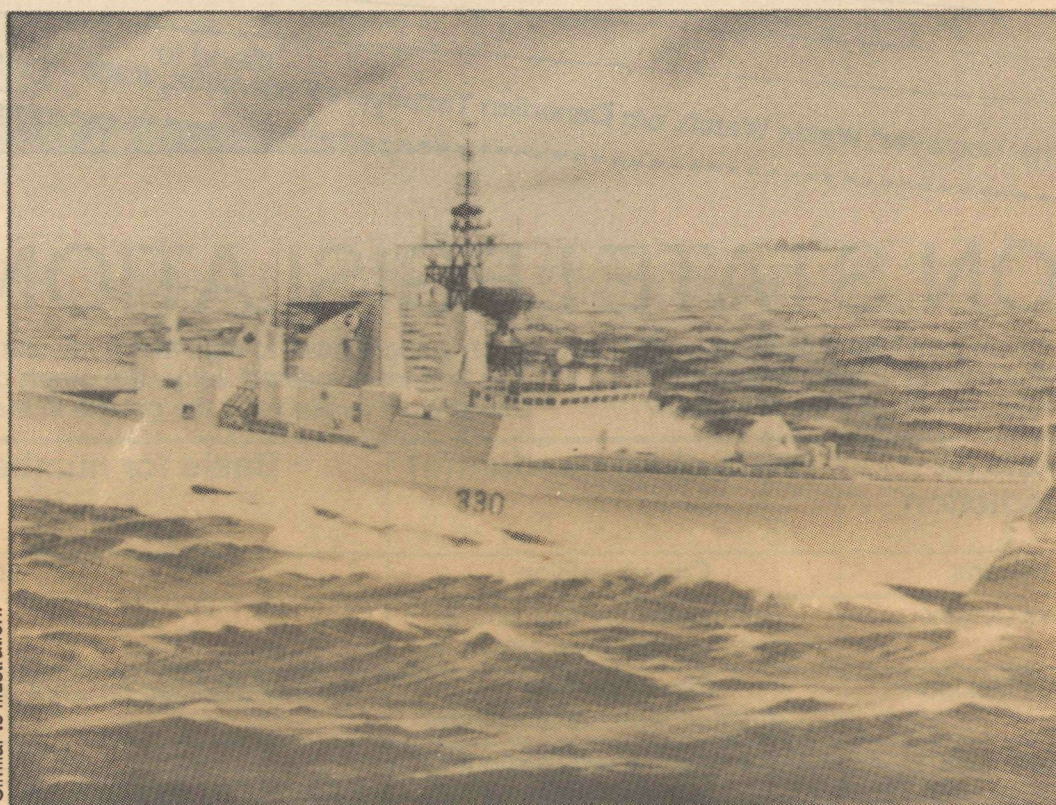
The Saint John yard had difficulty getting started. Finally, a crew from Bath Iron Works Corp. of Maine was brought in to train the Canadian yard.

Problem #4

June 1986, Algoma's third shipment of steel finally passed inspection. The first two loads had been rejected because of delays in handling by the Saint John ship yard. This resulted in pitting as the steel lay unprotected in the Saint John yard.

Problem #5

In April 1990, Leigh Instrument went bankrupt. Four years earlier the Department of Regional



Similar to illustration.

Design flaws in the new frigate (HMCS Halifax), one of 12 to eventually be constructed for the Canadian Navy produces a low rumble that can't be heard by the human ear. Unfortunately, it can be heard by the "enemy" submarines the frigate is built to protect the Canadian coast from. This little designer rumble, though only heard 10% of the time, will result in even further delays and additional costs to the Canadian taxpayer.

and Economic Expansion had awarded a \$23.2 million contract to Leigh Instruments to supply interior communications equipment. The navy has only enough equipment for 3 of the 12 frigates contracted for.

Problem #6

In December 1990, due to delays in construction, Paramax announced that some of the computers it was contracted to build were now obsolete. It would cost \$23 million to bring things up to par.

Problem #7

SED Systems of Saskatoon, the company contracted to produce meteorological and communications systems, runs into difficulties. Paramax's parent company is called into help.

Problem #8

Court battles erupt between Saint Johns Shipbuilders Inc. and Group MIL Inc. In July, 1990 Saint John sues MIL for \$1.7 billion claiming the company has cost Saint Johns' \$260 million in overrun costs.

MIL counter sues claiming poor management support from Saint John and that 40 - 50,000 design changes hindered their effectiveness.

Note: Design changes include such problems as doors opening the wrong way and pipes running into each other, etc.

Problem #9

June 1991, the first ship was delivered for trial runs. A flaw in design has resulted in a low rumbling noise undetectable to the human ear, but easily picked up by submarines with high tech equipment.

Problem #10

Group MIL Inc. the contractors handling the construction in Quebec has run into financial problems. They blame their problems on delays, countless design changes and unrealistic demands.

The Quebec government (with 65% ownership) threatened to bankrupt the company if aid was not forthcoming. This would have thrown the frigate program into chaos. Other issues such as Quebec sovereignty and Canadian unity clouded the issue. The federal government coughs up \$263 million for MIL and the Quebec government donates another \$100 million - a total of \$121,000 per worker.

Problem #11

They still haven't finished the other 5 frigates yet! A total of 12 new frigates will eventually be built. Note: The federal government announced the MIL bailout the same week they announced the Spending Control Act - see page 2.

The Auditor General's Corner

The following article is taken from the 1990 Auditor Generals Report to the Parliament of Canada.

Capital Projects - Forestry Centres

11.12 The Forestry Centres. We found that planning and construction of these centres by the host departments had taken up to 16 years. During this period costs had escalated as follows:

Forestry Project	Initial Estimate	Final Cost	% Increase*
Pacific Forestry Centre	\$4.2 million (1982)	\$12.2 million (1986)	290%
Great Lakes Forestry Centre	\$1.8 million (1981)	16.8 million (1986)	933%
Le Ctr. de Foresterie des Laurentides	\$5.8 million (1972)	\$19.7 Million (1988)	339%
Maritime Forestry Centre	\$18.5 million (1982)	\$30.0 Million (1990)	162%

* CTF calculations

11.13 Although some of this escalation could be attributed to inflation, most was due to changing needs, refined requirements or inaccurate initial estimates.

The Great Lakes Forestry Centre, Sault Ste. Marie, Ontario

11.41 The construction portion of the project was completed at a cost of \$15 million. Additional minor contracts associated with but not forming part of the capital project raised the total cost to \$16.8 million. Although the Forestry Service had known there was no vapour barrier on the facade of the original GLFC building, an installation was not included in the main renovation project. Lack of a moisture barrier has resulted in damage to the brickwork, which it is estimated will cost \$2 million to replace.

Department of the Environment. Three months later, after refinement of the estimates, costs escalated to \$24.7 million; changes in space usage, and an increase in the gross floor space from 10,730 to 14,902 square meters, had not been taken

into account in the initial estimates...Federal indecision about project financing, and extensive negotiations on joint project management among the various partners in the project, created delays.



The Maritime Forestry Research Centre, Fredericton, New Brunswick
Originally estimated at \$18.5 million, the final cost of this centre was \$30 million. The Department signed a funding agreement despite being unsure that it would be able to provide its share of the cost.

11.49 Project management in the early planning stage suffered from inadequate coordination and control, contributing to an increase in project costs.

11.50 In 1982 preliminary project approval had been granted for \$22.5 million to construct the research centre.... In 1985 effective project approval was granted at \$35 million.... (Editor's note: a latter redesign of the project costing \$300,000 resulted in the estimated cost of the project being set at \$30 million.)

Maritime Forestry Centre, Fredericton, New Brunswick

11.48 In early 1984 a concept design, costed at \$18.5 million, was accepted by the

Letters to "The Taxpayer"

This is in continuation (in a sense) to your recent contribution to John Hanlon's Call-in on Edmonton's CBC - Am. I was impressed by the manner in which you have presented your case and by the very existence of the institution you represented. Would it be possible for you to mail to me literature you may have available for distribution to the public? I would like to learn some more about the federal and provincial (deficits)...kindly assist me if you can.

A.R. Edmonton, Alberta

My husband and I applaud what you are trying to do. It is high time something was done.

It is a shame that so much of our time and money goes to creating a small group of very wealthy people who have so much power.

It should become a criminal offense for governments to amass such debt...

D.G. Spruce Home, Sask.

I recently visited a friend near Caroline Alberta and he showed me two issues of your magazine "The Taxpayer."

I would like to receive your magazine and would appreciate if you could send me copies of the two most recent issues.

A.S. Calgary, Alberta

Recently, while visiting friends, I came across your publication entitled, "The Taxpayer." As a student of public policy I was very much interested in some of the issues you raised in your publication. I was wondering how I could obtain future issues of this paper.

S.M. Winnipeg, Man.

I enjoy the publication "The Taxpayer" and would like to remain on your mailing list. I find some very interesting information contained there-in.

Keep up the good work. Each of us must do what we can in our different ways to bring some common sense back into governments.

D.R. Regina Beach, Sask.

Have read with interest your write up of Norman Baker's interview with Roger Douglas of New Zealand, regarding their

new tax structure in that country. It sounds much more workable than the mish mash system we have here at present. We are going to have to face the music here one day and the cost is mounting every year.

T.R. Moose Jaw, Sask.

Would you kindly send me a sample back issue of your newsletter and add my name to your newsletter mailing list.

H.W. Thornhill, Ont.

Thank you for your good work in telling the public what a mess we're in federally and provincially.

No matter who is elected we get a bunch of big spenders who are going to bankrupt the country and everyone in it.

A.T.

Letters to "The Taxpayer" are edited for size and clarity. Please send all correspondence to "The Taxpayer", #200 - 1315 Scarth Street, Regina, Saskatchewan, S4R 2E7

Grants to Businesses

The following is presented for the purpose of information. Our intent is not to criticize any of these groups, companies or organizations. Rather, we believe it to be part of our mandate to make taxpayers aware of how their money is being spent. This information

312747 Alberta Ltd., (Oh Chocolate!)	\$3,611
357209 Albert Ltd., (Leslieville Grocery)	\$3,478
A-1 Meat Supplies/Wilfy Investments Ltd.	\$30,278
Agnew Chicks (1984) Ltd.	\$51,480
Agropeat Distributors Ltd.	\$9,212
Airlite Neon Sign Manufacturing Ltd.	\$53,025
Alberta Bakery Ltd.	\$16,500
Alberta Beef Processors/XL Food Systems Ltd.	\$170,064
Alberta Cheese Company (Franco's Brand) Ltd.	\$157,454
Alberta Cheese Company (Franco's Brand) Ltd.	\$11,700
Alberta Dehydrating Co. Ltd.	\$146,160
Alberta Fancy Sausage Ltd.	\$18,089
Alberta Food Processors Association	\$1,100,000
Alberta Food Processors Association	\$4,275
Alberta Mudjacking Services Ltd.	\$10,000
Alberta Oats Ltd.	\$250,000
Alberta Sunflower Seed Ltd.	\$11,776
Alberta Sunflower Seeds Ltd./Splendor Seeds Ltd.	\$54,583
Alberta Water Analysis Committee	\$30,000
Alfano Foods Ltd.	\$50,338
Alpine Club of Canada	\$1,100,000
Alsask Processors Co. Ltd.	\$30,039
ANLU Development Corp.	\$6,224
Arrowhead Spring Water Ltd.	\$19,348
Atlas Lumber (Alta) Ltd.	\$212,450
Axion Spatial Imaging Ltd.	\$5,000
Baier's Sausage & Meats Ltd.	\$47,640
Balderson Canada Ltd.	\$104,125
Banff Television Foundation	\$111,000
Bassano Growers Co-op Ltd.	\$90,000
Bassano Growers Co-op Ltd.	\$57,653
Beck Farms Ltd.	\$18,248
Bel-Air Foods (1976) Ltd.	\$47,746
Bellamy Enterprises Ltd.	\$17,548
BFGoodrich Canada Inc.	\$418,250
Big Rock Brewery	\$83,400
Billingsgate Fish Co. Ltd.	\$34,654
Black Gold Valve Specialists Ltd.	\$148,624
British Columbia Sugar Refining Co. Ltd.	\$248,954
Brownsveal Farm and Feed	\$12,323
Brydor Business Enterprises Ltd.	\$42,846
Butte Forage Processors Ltd.	\$227,510
Byblos Bakery Ltd.	\$20,580
Calmar Bakery	\$9,274
Canada Beef Export Federation	\$1,125,000
Canada Packers Inc.	\$628,830
Canada Packers Inc.	\$320,263
Canada Packers Inc.	\$132,000
Canada West Foundation	\$88,600
Canadian Agri-Bend Ltd.	\$34,500
Canadian Chevaline Processors Ltd.,	\$25,750
Canadian Film Celebration Society	\$205,000
Canadian Manufacturers' Association	\$54,000
Canadian Steel Manufacturing Inc.	\$85,000
Centennial Food Corp.	\$65,175
Central Alberta Dairy Pool	\$40,000
Central Alberta Dairy Pool	\$1,400,000
Centre for Frontier Engineering Research,	\$7,750,000
Champion Feed Services Ltd.	\$46,062
Champion Feed Services Ltd.	\$46,341
Champion Feed Services Ltd.	\$172,804
Chelsea's Honey Products Ltd.	\$10,113
Chipchar Mushrooms Ltd.	\$12,400
Church, Alan and Vicky Church-Hassett	\$26,150
City Bakery (Calgary) Ltd.	\$30,635
City Packers Ltd.	\$14,323
Classic Grains of Canada Inc.	\$39,425
Coaldale Egg Farm (1979) Ltd.	\$11,250
Columbia Seed Co. Ltd.	\$34,448
Conference Society of Alberta	\$25,000
Conference Society of Alberta	\$25,000
Conference Society of Alberta	\$12,500
Consort Lucky Dollar	\$8,382
Custom Gourmet Coffee Ltd.	\$6,789
Daishowa Canada Co. Ltd.	\$150,000
Daishowa Canada Co. Ltd.	\$9,500,000
Daniel's Bagel & Baguette Corp.	\$3,825
Dave's Pizza (Red Deer) Ltd.	\$7,470
Davis Rairdon Vet Services	\$8,866

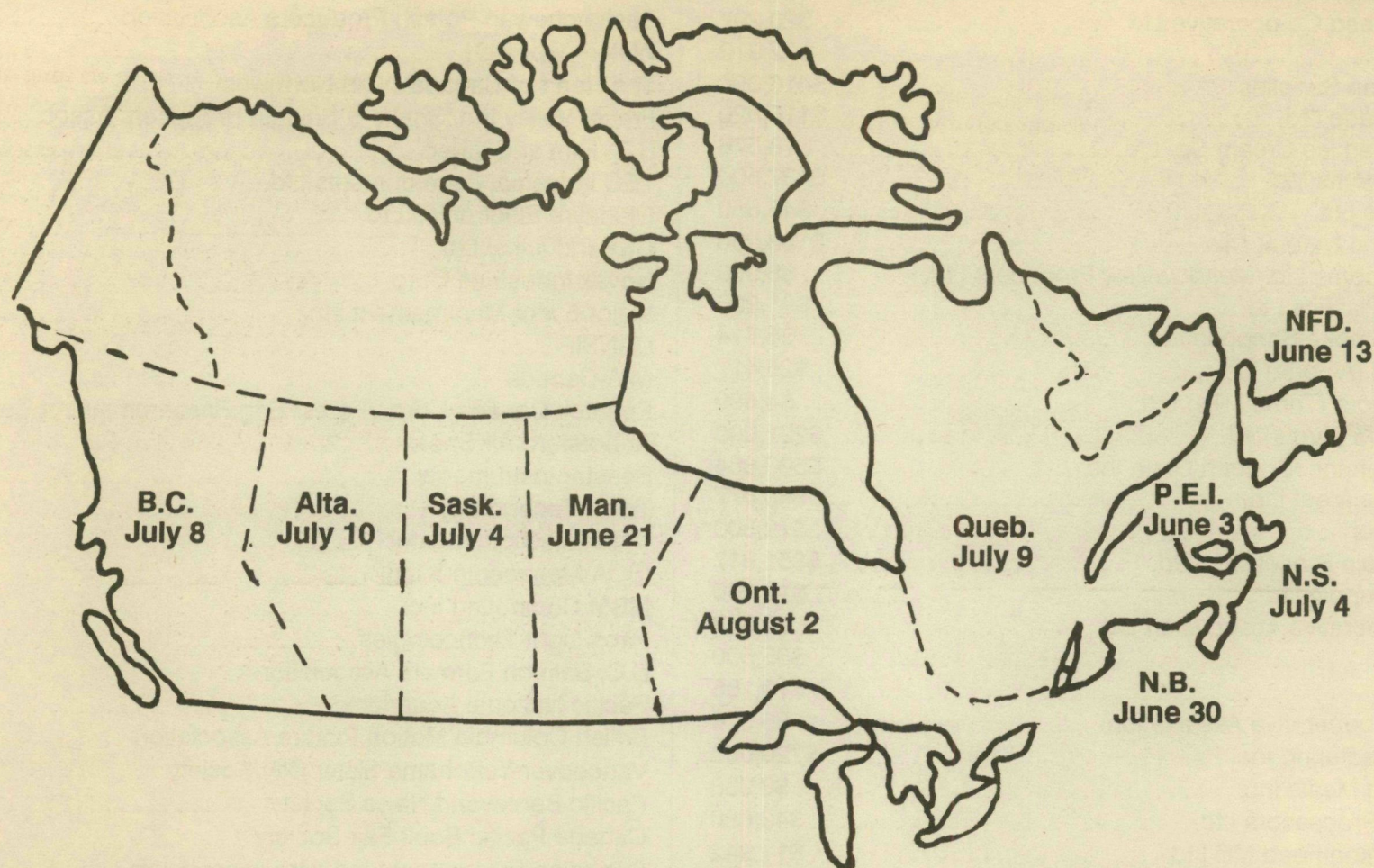
was obtained from the various offices of the federal Department of Western Diversification (WDO). Although the grants listed were not all made by WDO, they are nevertheless under their jurisdiction at this time.

Del Comal Ltd.	\$58,415
Delizia's Pasta Ltd.	\$4,530
Delwil Holdings Ltd.	\$32,900
Devon Bakery (1981) Ltd.	\$6,624
Downhole System Technology Canada Partnership	\$250,000
Dreco Energy Services Ltd.	\$99,900
Drummond Brewing Company Ltd.	\$324,535
Duckworth Farm	\$31,637
E.H. Industries of Canada Ltd.	\$2,000
E.R.A.H. Cinnamon Makers	\$27,106
East-Man Feeds	\$112,000
Edmonton Potato Growers (1971) Ltd.	\$27,150
El Dorado Vegetable Farms Ltd.	\$28,000
Esso Chemical Canada	\$213,750
European Cheesecake Factory Ltd.	\$42,060
F.G. Bercha & Associates Ltd.	\$97,469
F & M Farms (1987) Ltd./Rochester Hatchery	\$21,390
Falher Alfalfa Ltd	\$78,250
Falher Alfalfa Ltd.	\$427,473
Federated Cooperative Ltd.	\$15,236
Feed-Rite Alberta Ltd	\$207,700
First Impressions Cresting	\$42,000
Fisherman's Choice Seafoods Ltd.	\$28,061
Floron Food Services Ltd.	\$16,730
Foothills Creamery Ltd.	\$8,181
Forcrest Foods Ltd.	\$12,122
G & L Greenhouses	\$1,312
Garden Central Soil Supplies Ltd.	\$23,179
Gibmar Industries Inc.	\$90,000
Golden Acre Farms	\$18,076
Golden Acre Farms	\$6,173
Grande Prairie Feed Service (1971) Ltd.	\$10,827
Granpac Inc.	\$96,495
Great Northern Grain Terminals Ltd.	\$23,889
Great West Cake Company	\$9,172
Grinde's Sausage House	\$58,263
H.P.I. Beverages Ltd.	\$16,950
H.P.I. Beverages Ltd.	\$126,250
H.P.I. Beverages Ltd.	\$36,526
Hat Alfalfa Processors Ltd.	\$286,925
Heritage Foods Ltd.	\$41,250
Hollandia Baking Co. (1979) Ltd.	\$33,357
Horizon Dairies	\$202,224
Hostess Food Products Ltd.	\$22,830
Hoyme Manufacturing Inc.	\$30,000
Hygaard Fine Foods Ltd.	\$59,629
Hygaard Fine Foods Ltd.	\$62,059
Hygaard Fine Foods Ltd.	\$34,517
IDACOM Electronics Ltd.	\$519,750
Innisfail Producers Ltd.	\$12,105
International Business and Engineering Corp.	\$24,920
J.B. Food Industries (Western) Ltd.	\$32,195
J.M. Mercantile Ltd.	\$15,529
J&M Meat Processors Ltd.	\$46,119
Jelschen Foods Ltd.	\$15,545
Kappler Dairies	\$53,178
Ken's Pembina Services (1975) Ltd.	\$8,178
Koshman Sales Ltd.	\$8,400
Kubick Seed Farms Ltd./Products Kubik Farms Ltd	\$4,414
Kuhlmann's Market Gardens and Greenhouses	\$48,029
Lakeland Peat Moss Ltd.	\$39,900
Legal Alfalfa Products Ltd.	\$169,500
Legal Alfalfa Products Ltd.	\$186,000
Lilydale Cooperative Ltd.	\$323,646
Lilydale Cooperative Ltd.	\$84,551
Limeco Products Ltd.	\$14,922
Manna Foods Inc.	\$8,411
Maple Leaf Mills Ltd.	\$13,050
Martin Feed Mills Ltd.	\$198,900
National Screen Institute - Canada	\$13,365
Neapolis Dairy Products Ltd.	\$24,678
NORAC Technologies Inc.	\$1,762,950
Northern Alberta Dairy Pool Ltd.	\$15,505
Northern Alberta Dairy Pool Ltd.	\$49,069
Northwest Industries Ltd.	\$233,625
Nossack Fine Meats Ltd.	\$39,836
NOVACOR Chemicals Ltd.	\$15,900
Old Fashioned Bread Bakery Co. Ltd.	\$6,404
Opal Embroidery Company Ltd.	\$21,641
Otto's Fine Foods Ltd.	\$13,390

P.T.O. Safa Winch Inc.	\$10,000
Parrish & Heimbecker Ltd. (Ellison Milling Division)	\$111,482
Parrish & Heimbecker Ltd. (New Life Feeds)	\$22,964
Pasta Fresca Inc.	\$22,964
Peace River Seed Co-operative Ltd.	\$20,297
Peat "T" Inc.	\$72,912
Pelorus Aviation Supplies	\$416,094
Pickseed Canada Ltd.	\$115,820
Pinocchio Italian Ice Cream Co. Ltd.	\$18,576
PolyNova Systems Inc.	\$437,500
Ponoka Foods Ltd.	\$48,650
Prairie Aromatic Natural Oils	\$108,260
Prairie Mushrooms Ltd./Meadowview Producers Ltd.	\$8,900
Pro-Western Plastics Ltd.	\$91,200
Puff 'N Stuff Smoke Shoppes Ltd.	\$8,714
Quality Feeds (Alberta) Ltd.	\$25,417
R&M Distributors (Three Hills) Ltd.	\$4,690
Rainbow Alfalfa Farms Ltd.	\$221,000
Red Deer Grain Inc./Bogoch Grain Inc.	\$500,804
Red Deer Lake Meat Ltd.	\$66,877
Robin's Donuts	\$12,300
Rocky Mountain Processing Ltd.	\$351,617
Ron's Meat Supply Ltd.	\$10,900
Rycroft Co-operative Association Ltd.	\$6,383
Saf-T-Pak Ltd.	\$35,500
Schur, Larry	\$10,185
Sedgewick Cooperative Association	\$5,076
SMED Manufacturing Inc.	\$720,000
Smokey Farm Meats Inc.	\$3,938
Smoky Lake Processors Ltd.	\$43,680
South Edmonton Feed Mill Ltd.	\$11,942
Stawnichy's Holdings Ltd./Stawnichy's Meat Processing	\$114,807
Stettler Meats	\$46,524
Sulwest Sulphur Recovery	\$719,687
Sun-Cured Alfalfa Cubers	\$26,874
Sun Country Foods Inc.	\$35,984
Sun Mountain Beverages Ltd.	\$442,200
Sunstream Honeyfruit Ltd.	\$29,977
Super Sam Red Deer Ltd.	\$36,276
Sweetheart Poultry Farm Ltd.	\$33,954
Taurus Salt Company Ltd.	\$14,979
Tender Lean Meats Ltd.	\$38,750
The Coal Association of Canada	\$45,000
Tiger Calcium	\$157,500
Tissington Farm	\$45,910
Tourism Industry Association of Alberta	\$101,300
Trans Canada Freezers Ltd.	\$37,000
Transfeeder Inc.	\$159,500
Trixie Pet Products	\$46,100
Trochu Foods Ltd.	\$14,201
Troika Foods Ltd.	\$8,562
Tuazon Holdings Ltd.	\$8,798
Tuc's Bakery	\$25,904
UFL Foods Inc.	\$262,324
Unexsys Systems Inc.	\$75,000
United Oilseed Prod.Ltd./United Oilseeds Products Inc.	\$52,140
V-S Feed/Agri Supplies Ltd.	\$9,063
Van Giessen Growers Inc.	\$45,864
Vander Leek Farms	\$51,372
Visser Farms (1984) Ltd.	\$33,705
W.I.N. Industries	\$10,000
Wallish Greenhouses Ltd.	\$2,400
Walls & Forms International	\$110,600
Wanham Dehye Ltd.	\$59,017
Wanham Dehye Ltd.	\$89,390
Weather Modification Group	\$110,640
Weigle's Sausage & Meat Ltd.	\$6,548
Welling Alfalfa Cubers Inc.	\$91,400
WESTAIM Technologies Inc.	\$15,000,000
West End Fish Producers and Packers Ltd.	\$34,360
Western Breeders International	\$24,483
Western Quality Meats	\$36,600
Westronic Inc.	\$148,400
Wetaskiwin Cooperative Association Ltd.	\$108,200
Wetaskiwin Cooperative Association Ltd.	\$41,250
Wild Rose Seeds Inc.	\$169,500
XL Food Systems Ltd.	\$32,280
Yellowhead Highway Association	\$221,587
Prairie Plant Systems Inc.	\$32,250
Biostar Inc.	\$871,850
Flex-coil Ltd.	\$8,000
Harmon International Industries Inc.	\$8,000
Leon-Ram Enterprises Inc.	\$8,000
Ne-De Systems Ltd.	\$8,000
Duck Lake Historical Museum Society	\$300,000
Potash & Phosphate Institute of Canada	\$144,000
Saskatchewan Pulse Crop Development Board	\$186,945
Prairie Implement Manufacturers Association	\$650,250
Canadian Seed Trade Association	\$58,125
Philom Bios	\$214,425

Heyburn Inland Terminal	\$7,075
S.P. Development Inc.	\$28,500
Prairie Implement Manufacturers Association	\$455,969
International Ctr. for Agricultural Science & Technology	\$6,427,550
Saskatchewan Potash Producers Association	\$2,979,167
Waterscapes '91	\$300,000
The Heart of Canada's Old Northwest	\$228,240
Fraser Valley Ind. Shake & Shingle Producers Assoc.	\$9,450,000
B.C. Film and Video	\$16,650
TEC Industrial Developments Ltd.	\$235,786
Glenayre Electronics Ltd	\$934,696
C&P Industrial Ltd.	\$102,690
Novax Industries Corp.	\$114,514
Major Event Management Inc.	\$300,000
CANSIF	\$400,000
IWA-Canada	\$171,000
Forintek Canada Corp. /Forest Eng.Research Inst.of Can.	\$13,500,000
Abbotsford Air Show	\$1,700,000
Seastar Instruments	\$75,000
Triton Technology	\$41,685
Delta Injection Locator	\$10,000
ISCA Management Ltd.	\$21,000
MBM Computing Inc.	\$7,500
Piros Light Technologies	\$12,500
B.C. Salmon Farmers Association	\$5,000
Pacific National Aquarium	\$500,000
British Columbia Motion Picture Association	\$176,400
Vancouver-Yokohama Sister City Society	\$100,000
Pacific Bookworld News Society	\$15,000
Canada Pacific Book Fair Society	\$20,000
Canadian Environment Industry Association	\$50,000
Airshow Canada 1991	\$3,000,000
Alaska Highway 50th Anniversary Celebration Society	\$405,000
Wartsila Marine Inc.	\$9,005
B.C. Salmon Farmers Association	\$34,500
Cremco Supply Ltd.	\$5,032
Canada Pacific Publishing Society	\$14,850
Pacific Music Industry Association	\$200,000
Industry Development Association of B.C.	\$13,500
B.C. Aquaculture Research and Development Council	\$13,000
CADAPSO	\$2,500
Syn-Tex Convertors Ltd./L.G.T. Holdings Ltd.	\$98,000
University of Manitoba	\$78,000
Swan Valley Cabinet and Woodworks Ltd.	\$9,000
Elman's Food Products	\$49,844
Midland Concrete	\$83,125
Pinewood Pure Springs Ltd.	\$166,191
Crystal Spring Colony Farms Ltd.	\$139,825
Wallace & Wallace Fences Ltd.	\$67,725
C.P. Loewen Enterprises and C4SJ Developments Inc.	\$1,095,500
Farmers Alfalfa Products	\$38,822
Aging Rehabilitation Products Development Centre	\$9,600,000
Can.International Agricultural Trade & Crop Technology Ctr.	\$180,000
Agri-Tec Canada Inc.	\$1,320,000
Electronics Industry Association of Manitoba	\$10,530
Schmidtke Millwork Ltd.	\$38,500
Dow Corning Corporation	\$12,080
Manitoba Fashion Institute	\$11,250
Canola Crushers of Western Canada	\$48,000
Manitoba Printmakers Inc.	\$69,778
West. Can. Agriculture Equipment Firms visit to USSR	\$92,000
U.S. Army Aviation Systems Command Symposium	\$24,000
Standard Manufacturers Services Ltd.	\$20,000
Can. International Institute for Sustainable Development	\$149,925
Unisys Canada Inc. Defence Systems	\$20,000
Progress Candy (1977) Ltd.	\$4,500
Westland Steel Products Ltd.	\$9,251
Shur-Lift Industries Ltd.	\$15,750
Ancast Industries Ltd.	\$20,000
Manitoba Fashion Institute Inc.	\$96,000
Intergraphics Decal Limited	\$15,300
The Winnipeg Commodity Exchange	\$1,115,000
Inventronics Limited	\$20,000
Unisys Canada Inc. Peripherals	\$20,000
Bonar Inc.	\$20,000
IDC Inc.	\$24,250
CMA Manitoba	\$38,700
Vansco Electronics Ltd.	\$20,000
Canola Council of Canada	\$74,400
Ducks Unlimited Canada	\$2,048,000
Arnold Asham Enterprises Ltd.	\$20,000
Threshold Technologies Company	\$65,000
A.R.T. BookWorld Productions	\$13,365
The Forks Historic Port	\$1,198,000
Canadian Tool & Die Ltd.	\$20,000
ALPHAIR Ventilating Systems	\$20,000

TAX FREEDOM DAY FINALLY ARRIVES



If you've been feeling broke the past few months there may be a very logical explanation.

Did you know that your total income from January 1st to sometime in June through August has gone just to pay taxes?

Tax Freedom Day was instituted by the Fraser Institute of Vancouver B.C. as the day you stop paying taxes and **FINALLY BEGIN WORKING FOR YOURSELF.**

Through their study of taxes (this includes the GST, federal/provincial income taxes, provincial sales taxes, etc.), they determine how much of your salary actually goes to pay taxes. This day varies by province depending on the extent of provincial taxation.

The Fraser Institute's Tax Freedom Day calculations also take into consideration provincial and federal deficits. Deficits will someday have to be paid back and are nothing more than deferred taxes.

Their study has shown that most taxpayers are paying almost half or over half of their income in taxes depending on what province they live in.

If you're tired of paying taxes and you want to escape -- may we recommend Prince Edward Island where Tax Freedom Day arrived the earliest in Canada - June 3rd.

However, don't start packing just yet.

Though PEI has the lowest taxes, they also receive the highest equalization payments from the federal government at \$1,633.50 per person. With the Federal government off loading its debt to the provinces, these payments may not be secure. If transfer payments were dropped, PEI would have to increase taxes.

So...be careful.

The following list provides a breakdown of provincial tax freedom days by province. They are listed in terms of the least taxed province to the most taxed.

Province	Tax Freedom Day by Province for 1991 (Includes deficits)	Equalization payments made to the provinces on per capita basis - 1991
Prince Edward Island	June 3	
Newfoundland	June 13	\$1,650.50
Manitoba	June 21	\$1,633.50
New Brunswick	June 30	\$910.40
Nova Scotia	July 4	\$1,294.10
Saskatchewan	July 4 *	\$1,081.10
British Columbia	July 8 *	\$668.10
Quebec	July 9	0.0
Alberta	July 10 *	\$579.00
Ontario	August 2	0.0

Source - The Fraser Institute, Vancouver, B.C.
* Includes taxes on resources

Major Provincial Tax Rates 1991

Rates for provinces known as of March 12, 1991

Province	Personal Income Tax(a)				Retail Sales Tax	Gasoline Tax	Tobacco Tax	Health Premiums Ind./Fam.	Payroll tax	Corporate Income Tax		Capital Tax(b)	Insurance Premiums Tax(c)
	Basic Rate	High Income Surtax	Flat Rate Tax							Small Business Rate	General Rate		
	%	%	%	%		c./litre	\$/pack of 25	\$/month	%	%	%	%	%
British Columbia	51.5	--	--	6.0		11.0	1.59	31/62	--	9.0	14.0	0/2.0	2/3
Alberta	46.5	8.0	0.5	--		9.0	1.75	26/52	--	6.0	15.5	0/2.0	2/3
Saskatchewan	50.0	15.0	2.0	7.0		10.0(e)	1.67(e)	--	--	10.0	15.0(g)	.5(g)/3.0	2/3
Manitoba	52.0	--	2.0/4.0	7.0		9.0	1.75(e)	--	2.25(i)	10.0	17.0	.3/3.0	2/3
Ontario	53.0	10.0	--	8.0		11.3	1.21(e)	--	1.95(i)	10.0	15.5(h)	.3/0.8	2/3
Quebec	--(d)	--	--	8.0		10.0(e)	1.19(e)	--	3.45	3.45(f)	6.3(f)	.52/1.04	2/3
New Brunswick	60.0	--	--	11.0		11.5	1.71(e)	--	--	9.0	16.0	0/3.0	2/3
Nova Scotia	59.5	10.0	--	10.0		13.7	1.70(e)	--	--	10.0	16.0	0/3.0	3/4
P. E. I.	57.0	10.0	--	10.0		13.6	1.75	--	--	10.0	15.0	0/2.5	3
Newfoundland	62.0	--	--	12.0		13.7	1.70(e)	--	1.50	10.0	17.0	0/3.0	4

a. The high income surtax is a percentage of basic provincial tax above a specified level except for Saskatchewan where it is on total provincial tax. Alberta's flat rate tax is on taxable income. Saskatchewan's and Manitoba's flat taxes are on net income; in Manitoba, an additional 2% is applied to high income taxpayers. Alberta, Saskatchewan, Manitoba and Ontario provide tax reductions for low income taxpayers.

b. The first number is the general capital tax rate and the second is the rate for financial institutions. In Manitoba, the general rate is 0.5% on capital over \$10 million. In B.C., only financial institutions with capital over \$500 million are taxable and tax paid is credited against income tax.

c. The lower rate applies to premiums for life, sickness and accident insurance.
d. Quebec's personal tax system is not directly comparable to those in other

provinces. Quebec's average tax rate is the highest in Canada.

e. These provinces apply their retail sales taxes on top of this tax. Saskatchewan intends to follow this practice for tobacco on April 1, 1991 and gasoline on January 1, 1992.

f. Effective January 1, 1992, Quebec's small business rate will increase to 3.75%; its general rate will increase to 6.9% for active business income, and to 16.25% from 14.95% for inactive business income.

g. Saskatchewan's general corporate rate will rise to 16% and its general capital tax rate will rise to 0.6% effective January 1, 1992.

h. Ontario has a 14.5% rate for manufacturing and processing, mining, logging, farming and fishing income.

i. The payroll tax is applied on a graduated basis to the maximum shown.

Source: Province of Alberta, Department of Finance